United States Bankruptcy Court
for the District of Oregon

Frank R. Alley, III, Judge

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March 2, 2005

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Mr. Ronald Becker
Office of the U.S. Trustee
211 East 7th Ave., Suite 285
Eugene, OR 97401

RE: Case No. 04-70024-fra   GEORGE G. NELSON

Dear Counsel:

At the conclusion of the hearing on the competing motions to dismiss and convert the Court determined – rather abruptly, I must admit – that a stay of the order converting the case would not be considered. I believe the parties are entitled to some explanation, which follows.

As I noted from the bench, I determined that the case should be converted, rather than dismissed, because it was in the best interest of creditors to do so. One of the reasons was that creditors will benefit from the more careful control of the estate's assets provided for under Chapter 7. Staying the order to convert, thus leaving the estate's assets under the control of the debtor-in-possession is not consistent with this goal.

The only purpose of a stay at this point is to delay administration of the estate pending an appeal. The Debtor has, of course, every right to appeal: however, I do not believe that the interest of creditors would be well served by leaving the matter in suspense, and the estate's assets beyond independent supervision, during the several months it will take for an appeal to be heard.

For these reasons I do not believe that any delay in accomplishing the conversion would be appropriate. Orders converting the case, and denying the motions to dismiss and the motion for the stay have been entered, and are being delivered to you under separate cover.

Very truly yours,

FRANK R. ALLEY, III
Bankruptcy Judge

FRA:bdi